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SIPDIS

STATE FOR G/OES/STAS AND EEB/TPP/MTAA/ABT FOR MARCELLA
SZYMANSKI AND JACK BOBO
WARSAW FOR FAS AND ECON SECTIONS
PRAGUE FOR FAS

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SUBJECT: BT CORN ACREAGE INCREASES DESPITE ADMINISTRATIVE
AND COMMERCIAL OBSTACLES

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¶1. SUMMARY: Since Slovakia introduced a "co-existence law" that came into force in February 2007, farmers have steadily increased the planting of genetically modified (GM) corn, from 30 hectares in 2006 to 949 hectares in 2007 and 1948 hectares in 2008. While the growth in total acreage has been promising, the number of farmers doing the planting has actually shrunk, from 16 farmers in 2007 to 12 farmers in 2008. Conversations with the farmers reveal a comfort with the science and an enthusiastic response to the effectiveness of the product. The drop-off in the number of users appears to be centered on market conditions and the commercial unattractiveness of GM corn along with the administrative hurdles a farmer must clear before planting the crop. GM-friendly forces in the Slovak regulatory and scientific community have attempted to address the latter concern by continuing to codify an openness to GM products in the Slovak legal structure. END SUMMARY.

ADMINISTRATIVE OBSTACLES

¶2. The introduction of GM corn in Slovakia, particularly the Monsanto Bt810 variety, began with the difficult legislative struggle to introduce a co-existence law in early 2006. The coalition then ruling under PM Mikulas Dzurinda included one party actively opposed to GMOs (KDHN, Christian-Democratic Movement) and another influenced by Hungary's strong opposition to GMOs (SMK, Party of the Hungarian Coalition). While both groups continue to maintain some hostility to GMOs, most observers concede there is not a strong, organized opposition to GMOs in Slovakia today.

¶3. The lack of a well organized opposition does not imply that there are no obstacles to GM products in Slovakia. Instead, as demonstrated by the drop-off in the number of farmers using GM corn, the opposition to GMOs, though sporadic and often personal, has found its way to key institutions regulating GMOs and created hurdles for farmers wishing to use the product. Currently, two institutions under the Ministry of Agriculture are tasked with training farmers in the use of approved GM corn, the Research Institute of Plant Production in Piestany and the Slovak Central Controlling and Testing Institute in Agriculture (UKSUP). Casual conversations with farmers reveal a high level of frustration with UKSUP.

¶4. UKSUP is the "face" of the Ministry of Agriculture for most farmers. It is the regulatory body charged with inspections, facilitating the application process from start to finish. Farmers charge UKSUP with making the process too

onerous, requiring excessive paperwork and failing to make themselves sufficiently available to answer questions. Tomas Boros, head of the Dadatrans agricultural cooperative and one of the farmers planting Bt corn, believes the overbearing UKSUP administration has dissuaded his fellow farmers from using GM corn, even as they observe its effectiveness. Corroborating this view, Igor Ferencik, Director of the Biosafety Department at the Ministry of Environment, refers to the UKSUP training as "campaigns against GMOs" rather than science-based sessions.

¶ 15. In following up on farmers' complaints, Econoff found several GM-friendly forces in the Slovak regulatory and scientific community who share the farmers' view of UKSUP as an uncooperative agency. These officials believe difficulties with UKSUP are rooted in personal objections to GMOs by UKSUP's leadership, claiming UKSUP has been invited to GMO planning sessions and conferences but does not often attend. To date, we have requested several meetings with UKSUP's leadership but have not been able to secure an appointment. As a means of addressing these negative views of UKSUP, we have discussed targeting the agency with the Regional Agricultural Counselor using biotech outreach funds (reftel).

COMMERCIAL OBSTACLES

¶ 16. Aside from the administrative hassles, an additional explanation for the decrease in the number of farmers planting GM corn could be market conditions and the commercial unattractiveness of the product. When GM corn was

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first introduced in Slovakia, the concurrent emergence of Enviral, a joint-stock bioethanol company in Leopoldov, promised a convenient marriage of GM corn and bioethanol production. Beginning production on June 15, 2007, Enviral sent signals that GM corn would be welcome and farmers believed they might have a reliable market for the GM corn they were beginning to plant. However, the Slovak Chamber of Food and Agriculture (SPPK) claims farmers got spooked when regional cornstarch processors and bioethanol companies, like Enviral, began resisting GM corn under pressure from environmental groups. Other industry observers contend it was the overall market conditions for corn, namely the lower prices being offered in 2008 compared to 2007, that explains the drop in GM corn sales to Enviral. They contend farmers were still able to sell to Enviral but balked at the prices being offered, preferring to store their corn or use it as feed.

¶ 17. While little can be done to affect overall market conditions for corn, GM-friendly forces in the Slovak regulatory and scientific community have attempted to address the administrative challenges by continuing to codify an openness to GM products in the Slovak legal structure. The Slovak Ministry of Environment's Department of Biological Safety organized a workshop in November to discuss the formulation of a national strategy for biological safety. The workshop brought international experts from the United Nations Environment Program - Global Environment Facility (UNEP-GEF), the International Food Policy Research Institute (IFPRI), the Belgium-based Horizons consulting group, and the OECD. Gathering the various stakeholders together, including the Ministry of Environment, Ministry of Agriculture, and Slovak Academy of Sciences, the goal of the conference was to clearly define the authorities and process for evaluating biosafety cases in a transparent manner. By codifying responsibilities in a legal structure, the conference organizers hoped to establish clear guidelines that would diminish the scope and impact of anti-GMO biases in the Slovak regulatory system.

¶8. COMMENT: While we are encouraged by the overall increases in GM corn acreage in Slovakia, we have discussed plans with the Regional Agricultural Counselor and FAS Prague to target biotech outreach efforts toward GMO-resistant regulatory officials. The acreage increase among fewer farmers suggests the science and effectiveness of GMOs has been compelling for farmers who have stayed with the product. Scientific outreach to the general public would still be useful, but the absence of a large, organized opposition means a strategy targeted at UKSUP officials might be most effective in the near term. With the goal of increasing both GM corn acreage and users, we are working with FAS to develop proposals for using biotech outreach funds outlined in reftel. END COMMENT.

OBSITNIK